

Budget recognizes vital role of business community

Budget recognizes

While Ontario's fourth consecutive balanced budget focuses on the priorities of health care, education and a clean and safe environment, the 2002 Ontario budget also recognizes the critical importance of maintaining the province's growing economy. The budget contains numerous provisions designed to support the province's business community.

"The people of Ontario know that prosperity is a virtuous circle," said Finance Minister Janet Ecker. "A growing economy provides more and better jobs, more disposable income and more revenue to invest in our future – in turn, renewing economic growth and creating even more prosperity."

The 2002 budget increases operational funding for health care by more than \$1.7 billion this year, adds \$117 million in new dollars for Ontario's schools and provides an additional \$100 million to universities and colleges. The government will also invest over half a billion dollars in the next two years to ensure Ontario has clean, safe drinking water.

These expenditures are supported by strong economic growth. Tax and fiscal policies undertaken since 1995 have focused on creating the conditions needed to increase economic growth

Budget boosts innovation

Several programs in the Ministry of Enterprise, Opportunity and Innovation's science and technology portfolio received additional funds in the 2002 budget, including:

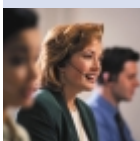
- an additional \$2 million per year for the \$30-million Research Performance Fund
- a \$250-million expansion (over five years) for the Research and Development Challenge Fund
- a \$300-million enhancement for the Ontario Innovation Trust
- \$161 million to renew the Ontario Centres of Excellence Program over five years
- \$51 million for Ontario's Biotechnology Strategy, officially announced on June 7, 2002
- an additional \$50 million for the Ontario Cancer Research Network
- an additional \$5 million per year for three years for the Perimeter Institute, starting in 2004-05.



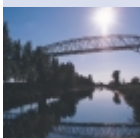
New Ministry builds on province's track record
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Human resources drive NuComm's rapid growth
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Michigan Governor John Engler
and Ontario Premier Ernie Eves

Economic summit produces strong new agreement with Michigan

The Michigan-Ontario Summit heralded a new era of closer partnership between two jurisdictions that are already each other's largest trading partners. The two-day summit held in Windsor and Detroit in June attracted over 200 business, government, academic and community leaders from both sides of the border.

At the Summit, Ontario Premier Ernie Eves and Michigan Governor John Engler signed a Memorandum of Understanding that calls for close co-operation in the crucial areas of trade, tourism, transportation border issues and the environment.

"This agreement will help pave the way for future trade opportunities that will benefit citizens on both sides of the border," said Jim Flaherty, Ontario Minister of Enterprise, Opportunity and Innovation. "Both Ontario and Michigan will benefit from co-operative efforts designed to improve our competitiveness and productivity."

The details of the Memorandum of Understanding include a commitment to continue to explore ways of improving trans-border security and efficiency, and a declaration of support for trade development and business partnership opportunities.

The five-year agreement also commits both jurisdictions to taking leadership roles in the work of the Canada-U.S. Border Transportation Partnership. The goal of this partnership is to improve the safe and efficient movement of people, goods and services across the Canada-U.S. border. The two jurisdictions will inform each other of problems and opportunities as they arise, and lobby federal authorities as needed.

"We're convinced of the need for improved and focused security at our common border to guarantee both our safety and security and the economic strength it provides for our citizens," said Bob Runciman, Minister of Public Safety and

Security. "This is the right thing for business partners to do; but it's also the right thing for friends and allies to do."

Enterprise, Opportunity and Innovation Associate Minister David Turnbull and Michigan Economic Development Corporation CEO Doug Rothwell co-chaired Cooperating for Stronger Economies, a summit plenary session designed to set the context for the economic relationship between Ontario and Michigan. Speakers included Roger Martin, dean of the Rotman School of Business at the University of Toronto and chair of Ontario's Task Force on Competitiveness, Productivity and Economic Progress. They discussed the trade synergies and the economic importance of the joint economies in North America, and examined opportunities to explore new relationships.

Ontario and Michigan enjoy one of the top 15 trading partnerships in the world, with two-way trade totalling more than \$97 billion in 2000. Ontario's exports to Michigan increased for the fourth consecutive year in 2000, reaching almost \$67.5 billion. This trading partnership supports close to half a million jobs in the province, concentrated primarily in the automotive and automotive-related industries. Tourism is also a big export-dollar earner (see sidebar), with Ontario hosting 12 million visitors from Michigan in 2000.

Border traffic between Ontario and Michigan illustrates the significance of the relationship between the province and the state. The Windsor-Detroit gateway is the busiest international border crossing, with 27 per cent of all

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New ministry builds on province's track record

The new Ministry of Enterprise, Opportunity and Innovation will build on Ontario's proven economic track record to maintain a competitive edge in the global economy. Headed by the Hon. Jim Flaherty, the new ministry merges the science and technology portfolios of the former Ministry of Energy, Science and Technology with the multifaceted mandate of the former Ministry of Economic Development and Trade.

Flaherty brings a wealth of experience to the newly expanded ministry. He previously served as Deputy Premier and Minister of Finance, where he was responsible for Ontario's \$64-billion budget and oversaw Ontario's fiscal and economic policies, including the management of the \$20-billion SuperBuild Corporation. He also oversaw both the restructuring of Ontario's financial institutions and Ontario Hydro.

As the chair of the Cabinet Committee on Privatization, Minister Flaherty advanced the largest privatization agenda in Canadian history. He has also served as Attorney General and Minister Responsible for Native Affairs, Minister of Labour, Solicitor General and Minister of Correctional Services. He was called to the bar in Ontario with honours in 1975, and practised law in the private sector for more than 20 years before entering politics.

Associate Minister David Turnbull, who comes to this ministry after more than a year as Ontario's Solicitor General, joins Minister Flaherty at the Ministry of Enterprise, Opportunity and Innovation. Minister Turnbull previously served as Minister of Transportation, where he introduced new measures to enhance road safety and oversaw a period of unprecedented investment to improve and expand Ontario's provincial highway infrastructure.

Serving as Parliamentary Assistant is Dr. Doug Galt, who brings extensive experience in municipal politics, management and community service to the provincial government. Dr. Galt served as Parliamentary Assistant to the Minister of Agriculture, Food and Rural Affairs, and previously served as Parliamentary Assistant to the Minister of the Environment from 1995 to 1999.

Dr. Doug Galt, Parliamentary Assistant and
the Hon. David Turnbull, Associate Minister

What's in a name? In the case of the new Ministry of Enterprise, Opportunity and Innovation, it means a merger of the former Ministry of Economic Development and Trade with the government's Science and Technology portfolio.



Building on the solid foundation of tax cuts, job growth, and higher education standards, this new ministry will be a key contributor to the future economic strength of Ontario. It will be an advocate for business growth and job creation, and promote investment and trade development. The new ministry will also ensure that Ontario is innovative and competitive on a global scale.

As minister, it is my intention, together with Associate Minister David Turnbull and Parliamentary Assistant Dr. Doug Galt, to champion innovation, entrepreneurship and competitiveness in Ontario. In the few short months since the ministry was founded, significant strides have been made to keep Ontario competitive. We held the Automotive Roundtable, which laid the foundation for a long-term automotive strategy. We held the Michigan-Ontario Economic Summit to strengthen co-operative trade efforts with our largest trading partner. We launched Ontario's new \$51 million Biotechnology Strategy and hosted the world's largest biotechnology conference. And we released the first report from the Institute of Competitiveness and Prosperity, which bench-marks the performance of Ontario's industry clusters.

Alongside these many activities, we recognized again that Ontario's greatest resource is its people. Our history proves that ordinary people doing extraordinary things are the key to innovation. A highly skilled, well-educated workforce has always played a significant role in Ontario's productivity.

Our government is building on these strengths. We are improving Ontario's education and training system, and making it more responsive to the needs of the economy. For instance, our Strategic Skills Investment Program helps Ontarians learn the skills needed to help our industries compete in the global marketplace. In this issue of the Ontario Business Report, we highlight some of the successes of the Strategic Skills Program, as well as ways in which Ontario's industries and educational institutions are building a sustainable workforce.

I believe that knowledge, innovation and skills are cornerstones of economic prosperity. In the months ahead, my ministry will build on these priorities. At the same time we will be meeting, listening and consulting with our business partners across the province. Working together, we will ensure that Ontario becomes a global powerhouse of industry, competitiveness and economic strength.

Jim Flaherty
Minister of Enterprise, Opportunity and Innovation



Report bench-marks Ontario's economic progress

The Institute of Competitiveness and Prosperity, an independent organization established by the Ontario government in 2001 to serve as the research arm of Ontario's Task Force on Competitiveness, Productivity and Economic Progress, has released *A View of Ontario: Ontario's Clusters of Innovation*, a working paper that provides a comprehensive view of Ontario's regional industry clusters.

These clusters are neighbouring groups of interconnected companies and associated institutions in a particular field. They are known to innovate more rapidly, diffuse knowledge more quickly and sharpen global competitiveness through intense local rivalry. The working paper shows, for the first time, how Ontario's clusters compare with similar ones in other provinces and in the United States.

"While many agree on the importance of traded industries (industries located in specific regions that sell products and services across economic areas in Canada), we haven't been able to measure and monitor them with analytical rigour," said Roger Martin, chair of the institute and dean of the University of Toronto's Rotman School of Management. "This paper identifies the size and scope of Ontario's clusters of traded industries and provides a fabulous base for further research and analysis in a North American context."

"Our government set up the task force so we could accurately measure and assess Ontario's economic progress compared to its competitors, both domestically and internationally," said Jim Flaherty, Minister of

Roger Martin, chair
of the Institute
of Competitiveness
and Prosperity



Enterprise, Opportunity and Innovation. "We want to ensure we address any gaps and take appropriate action, so that Ontario will continue to build a strong economy, attract new investment, create new jobs and increase prosperity and quality of life for Ontarians."

The working paper shows that an above-average share of Ontario's workers are employed in traded clusters, led by business services, financial services and automotive industry services. It compares the performance of the province's top ten clusters with the top ten of Alberta, Michigan, Illinois and Massachusetts. The paper also profiles clusters, including entertainment, automotive, pharmaceuticals, biotechnology and financial services.

"The good news is that we've got great strength and a diversity of clusters in the province, particularly in the Toronto area," said Martin. "The bad news is that Ontario is not achieving the productivity and income levels that we should from this solid platform."

Despite being well-positioned in Canada, Ontario is not an economic leader within North America. Of the 60 jurisdictions in Canada and the United States, Ontario's labour productivity is ranked 32nd.

The institute will seek feedback on its findings from a broad range of stakeholders. It will also examine the nature of economic opportunity in areas of the province that typically lack strong traded cluster activity such as rural, remote and resource-industry dominated regions and analyze more deeply why Ontario is currently less productive than leading U.S. jurisdictions.

The institute will assist the task force in formulating its advice to the Ontario government on how to protect existing jobs, create new ones and build a stronger province. The task force will issue its first annual report this fall.

A View of Ontario: Ontario's Clusters of Innovation is available on the Ministry of Enterprise, Opportunity and Innovation Web site, www.ontario-canada.com.

A one-day Ontario Automotive Roundtable was the first of several recent developments that promise to maintain and grow this key Ontario sector. Convened in Toronto on May 22 by Minister of Enterprise, Opportunity and Innovation Jim Flaherty, the Roundtable brought together auto assemblers, union representatives, parts suppliers, industry experts and federal government officials for a wide-ranging discussion of innovation, skills and infrastructure.

"It was important that our government take a leadership role and initiate the Roundtable, to bring together key players to discuss the future of the automotive industry," said Flaherty. "The Roundtable was a major step forward in laying the foundation for a long-term automotive strategy."

Often called Ontario's economic engine, the automotive industry is the province's largest employer with one in seven jobs related to that industry. With 14 assembly facilities and over 400 parts plants, Ontario builds one of every six vehicles produced in North America, and the auto sector accounts for almost half of Ontario's total export sales. The Roundtable was designed to identify Ontario's strengths as a major automotive jurisdiction and to highlight areas for development.

"Ontario's automotive industry is innovative, flexible and highly productive," said Flaherty. "It is also experiencing challenges, through global over-capacity, structural changes, outsourcing and new technologies."

Flaherty followed up the Roundtable on June 26 with a presentation to approximately 150 automotive industry stakeholders at the federal government's National Automotive Innovation and Investment Forum in Toronto. He and his federal counterpart, Industry Minister Allan Rock, agreed to work toward an integrated approach to strengthen the Canadian automotive industry, and



(Left to right) Belinda Stronach, president and chief executive officer of Magna International Inc., Jim Flaherty, Minister of Enterprise, Opportunity and Innovation, and Buzz Hargrove, president of CAW, listen attentively to presenters at Ontario's Automotive Roundtable on May 22, 2002.



announced plans to establish a new Canadian Automotive Partnership Council.

The council, which will hold its first meetings in the fall, includes CEOs from Canadian assemblers, parts and aftermarket sectors, the head of the Canadian Auto Workers Union and representatives from Canadian auto dealers and the academic community.

Flaherty also met with CEOs of the five major assemblers (GM, Ford, DaimlerChrysler, Honda and Toyota) and is also holding a Municipal Automotive Roundtable this summer to give representatives from key automotive municipalities in Ontario input on auto industry-related issues that affect their communities.

"Our government will work aggressively with industry and government partners to ensure that the auto sector continues to grow and prosper in Ontario and across the country," said Flaherty. "We want Ontario to be well-positioned for future jobs, innovation and investment in the globally competitive automotive environment."

Roundtable Produces Auto Action Plan

The Ontario Automotive Roundtable also produced an Automotive Action Plan that focused on innovation, skills and infrastructure. Actions include:

- Establishing an Ontario automotive innovation working group to explore innovation challenges, identify the gaps in performance and capabilities and recommend the best way to address these gaps
- Establishing an Ontario automotive skills working group to explore education and skills challenges, identify gaps in company and educational institute performance and present proposals to address these gaps
- To ensure products are transported efficiently, the Ministry of Enterprise, Opportunity and Innovation will work with government and industry partners to develop short-term procedures and strategies to improve traffic flow and speed up border crossings.



Flaherty lauds the economic and innovative contributions of Ontario's information and communications technologies industry

In a major address to the Information Technology Association of Canada for Ontario (ITAC), Minister of Enterprise, Opportunity and Innovation Jim Flaherty recognized the economic and innovative contributions that have been made to Ontario by the information and communications technologies industry.

"The information and communications technologies industry is a direct creator of jobs, growth, new ideas and products," said Flaherty. "It is a key player in the government's plan to create a culture of innovation in Ontario."

More than 300,000 people work directly in the information and communications technologies industry, making it the third-largest employer in the province. Last year, the industry contributed over \$58 billion to the Canadian GDP. In 2000, Ontario's information and communications technologies exports accounted for more than 37 per cent of all such exports. The industry is also the largest private-sector investor in research and development – with nationwide expenditures of \$5.3 billion in 2001.

"From business intelligence software to wireless voice and data transmission, the information and communications technologies industry thrives on its ability to innovate," said Flaherty. "Our government

is committed to supporting its growth and encouraging the industry to move forward in new and pioneering ways."

With the help of the Information Technology Association of Canada for Ontario and other regional associations, the government recently conducted outreach meetings in Toronto, Ottawa, York Region and the Kitchener/Waterloo area. Industry leaders identified challenges to future growth such as access to capital, skills shortages, commercialization and the position of Ontario in the global marketplace.

The government has taken steps in each of these areas, including investments in skills training through the Strategic Skills Investment program, and the establishment of Photonics Research Ontario and Communications Information Technology Ontario to help the industry transform basic technology into commercial products.

"We will continue to work with the information and communications technologies sector on ways to address long-term industry priorities, and to help ensure its future competitiveness, innovation and success," said Flaherty. "Ontario's information and communications technologies industry has had an extremely positive impact on economic growth, quality of life and job creation in this province. Our government is committed to strengthening its position worldwide."

International conference to tout Smarter Way



Business leaders, academics, politicians and civic servants of national, provincial/state and local governments from around the world are coming to an international conference on regulatory reform in Toronto September 25-27, 2002.

The conference is being organized by the Institute of Public Administration Canada (IPAC) in partnership with the government of Ontario.

"Ontario is working with jurisdictions at home and abroad to share innovative approaches to removing barriers to business," said Steve Gilchrist, Red Tape Commission co-chair and MPP for Scarborough East. "The knowledge and expertise that we share at the conference will directly benefit Ontario business."

The conference – "Red Tape to Smart Tape – Fostering Regulatory Innovation in the 21st Century" – will explore how business and government can learn from one another by sharing red tape reduction and regulatory reform best practices from around the world.

Keynote speakers, discussion panels, workshops and selected papers will focus on red tape challenges, opportunities and solutions, including smarter ideas and approaches to regulation in topic

areas such as security, customer service and competition.

The need for smarter approaches

Businesses adapt quickly to changes in the marketplace, and governments need to respond as quickly and effectively to changing circumstances.

Governments at all levels today are developing and employing the most efficient and effective regulatory means at their disposal to respond to current and emerging challenges and opportunities. By being smarter in business, governments can:

- Implement responsible regulation that promotes economic growth and development while protecting public health, safety and the environment.
- Deliver efficient and competitive programs and services to individuals and businesses with as little red tape as possible.
- Adopt improvements in technology to enhance government performance and customer service.

The real costs of red tape

A regulatory system can impose compliance and management costs that stifle economic activity. According to an 11-country survey of 8,000 small and medium-sized enterprises conducted by the Organization for Economic Co-operation and Development (OECD), a company spends an average of US\$27,500 annually complying with regulations.

The 2001 Organization for Economic Co-operation and Development report entitled *Businesses' Views on Red Tape* stated that "the cumulative effect of many regulations, from multiple institutions and layers of government, is to slow down business responsiveness, divert resources away from productive investments, hamper entry into markets, reduce innovation and job creation and generally discourage entrepreneurship."

Good government performance affects economic competitiveness and enhances a nation's quality of life. Any jurisdiction aspiring to be competitive and serve its citizens well must implement smarter, more innovative approaches to regulating in the 21st century.

For further information, please visit the conference Web site at: www.smarttape.ca, the Institute of Public Administration of Canada's site at www.ipaciapc.ca, or the Red Tape Commission's Web site at www.redtape.gov.on.ca.

Ontario uses BIO 2002 as the platform to launch new biotech strategy

Ontario welcomed more than 15,000 scientists, policy-makers and business people to BIO 2002, the world's largest biotechnology conference. Ontario was hosting the annual event for the second time, an indication of Ontario's reputation as a leader in this fast-growing industry.

“Ontario has one of the largest regional concentrations of biotech firms in North America,” noted Lorne Meikle, chairman of the BIO 2002 Executive Committee and president and CEO of BioCatalyst Yorkton, a Toronto-based venture management company. “Toronto – the site of the convention – is the optimal city in Canada for this meeting. It's one of the hubs of biotechnology, the nation's financial centre and it has great access to the U.S., Europe and Asia.”

With more than 110 biotech companies and estimated revenues of \$1.3 billion in 2002, Ontario's biotechnology industry currently ranks among the top ten in North America.

The province is intent on doing even better. On the eve of BIO 2002 – with the eyes of the global industry on Ontario – the government unveiled an ambitious new biotech strategy that leaves no doubt it's determined to be one of the top three biotech centres in North America.

The objective of the \$50-million-plus strategy is to ensure that Ontario realizes its commercialization potential by strengthening its existing and emerging clusters along the “biotech corridor” that extends from Ottawa in the north to London in the south.

“There's no question that Ontario has tremendous research strength in high-demand areas like stem cells, nanotechnology, biomaterials and biophotonics,” said

Ontario's best and brightest scientists honoured at BIO 2002

Scientists are key to innovation and Ontario is determined to keep its best and brightest here at home.

That's the message the Ontario government delivered loud and clear at two separate events during BIO 2002 where the spotlight was on both the province's established and future top scientists.

On June 11, Premier Ernie Eves named the recipients of the first Premier's Platinum Medal for Research Excellence. The \$1-million research awards – among the largest in the world – went to Dr. Anthony Pawson,

a biotechnologist and molecular biology researcher with the Samuel Lunenfeld Research Institute in Toronto, and Dr. Sajeev John, a physics professor and Canada Research Chair at the University of Toronto.

Candidates for the awards (which will provide \$10 million over the next six years) must be researchers in mid-career who have performed a substantial amount of their work in Ontario, have an international reputation for excellence, and have significantly contributed to the growth of knowledge in their fields. The award money must be spent on research in institutions in Ontario, either to fund the direct costs of research or to endow scholarships, fellowships or chairs in the recipient's name.



Meikle. "The goal of the new strategy is to ensure that we capitalize on that strength."

At the heart of the strategy is the creation of Toronto's Medical and Related Sciences (MaRS) Discovery District, which will receive \$20 million in start-up funding from the province.

Medical and Related Sciences Discovery District will be located in the midst of one of the largest concentrations of medical research facilities in North America. Right next door is the University of Toronto, recognized by the United Nations as one of the world's top four international centres of research excellence. Within a four-block radius are six hospitals and some 30 specialized research centres. A stone's throw away is Bay Street, Toronto's Wall Street, an important source of venture capital, as well as other financial and support services.

The 1.2-million-square-foot complex, which will have links to leading national and international research centres, will incorporate public research facilities, start-up and established biotech companies, support services and the Toronto Biotechnology Commercialization Centre.

"Medical and Related Sciences Discovery District represents a unique opportunity to capitalize on Toronto's expertise in bioscience, high-performance computing, software, nanotechnology and photonics," said MaRS Discovery District President and Chief Operating Officer John Cook. "It will be a magnet for world-class scientists and spark growth in research innovation and commercialization."



Enterprise, Opportunity and Innovation Minister Jim Flaherty and Ontario Premier Ernie Eves at launch of Ontario's New Biotech Strategy.

Also key to the strategy is the Biotechnology Cluster Innovation Program, a \$30-million, five-year program to promote further development of regional innovation clusters along Ontario's biotech corridor. The program will also support infrastructure such as research parks and commercialization centres, all with an eye to rapidly accelerating new business creation in biotechnology.

Other components of the strategy include the establishment of an Ontario Health Technology Innovation Service to establish Ontario as a jurisdiction of choice for new health technology evaluation and development, and the creation of a bioprocesses institute in Ottawa to accelerate development and manufacturing of therapeutic proteins.

"BIO 2002 put the world spotlight on our biotech industry," said Lorne Meikle. "This strategy will help to keep it there."

Dr. Pawson is recognized internationally for his research in cellular biology. His work has had a profound impact on virtually every aspect of biomedicine, including developmental biology, endocrinology, immunology and cancer and cardiovascular research.

Dr. John specializes in theoretical condensed matter physics and quantum optics. His research holds the promise of photonic computers with new capabilities and speed far surpassing their present-day electronic counterparts.

"The awards highlight our government's commitment to quickly make Ontario a worldwide centre of research excellence," said Premier Eves at the event held at Ontario Place. The province also supports

gifted researchers through the Premier's Research Excellence Awards, which earlier this year announced more than \$13 million to be awarded to 133 recipients across the province.

On June 12, the spotlight moved to Ontario's "future Platinum Award winners," with Minister of Enterprise, Opportunity and Innovation Jim Flaherty honouring Team Sci-Tech Ontario members for their outstanding performance at the annual Canada-Wide Science Fair, held this year in Saskatoon.

Team Sci-Tech Ontario was made up of 182 young scientists aged 12 to 19 selected from a field of more than 250,000. The team took the Best of Fair prize, and both Best Senior and Best Junior Project prizes, along with nine gold, 22 silver and 26 bronze medals.

Prizes for the Best of Fair and Best Senior Project went to Havish Jafri and Faizal Ismail, two grade 11 students from Toronto, for their demonstration of how to limit "boundary layer acceleration" whereby some of the slowing effects of air resistance are overcome by generating electrical fields.

The prize for Junior Project went to grade 8 student Chet Gervais of Windsor for his work on electro-chemical "artificial muscles" which could aid amputees or people with neuromuscular disorders. He also took a gold medal in the Engineering Division.

"Our goal is to keep you here in Ontario," the minister told the young scientists. "I'm confident that we can give you the environment you need to become the Bantings and Bests of the future."

Good Careers – Great Futures

Linking industry, young people and education to build a skilled trades workforce

Skilled Trades:

Communities across the province are facing common challenges in long-term economic development. Not only must they attract and retain new business, but they must also make the transition to the knowledge economy. The training and development needs of students, educators and business owners must also be met. Effective skill-building and human resource planning are critical to a community's prosperity.

"We're losing a lot of our talent, particularly young people," said Richard Allen, Executive Director of the Industry-Education Council of Hamilton (IEC), a rallying point for business, education and government co-operation in the Steel City. Founded in 1978, the IEC was the first industry-education council in Canada.

In response to Hamilton's specific labour market challenges, Allen, the IEC and the city's business community recognized that innovative solutions were needed.

"Since 1997, the IEC has been spearheading Skilled Trades: Good Careers-Great Futures, an initiative to reinvent how our community is organized to address skilled trades shortages," said Allen. "Using a long-term consultation process that united all three levels of government and the local community, a relationship map of strengths and gaps was developed." From this process, a unique two-part solution evolved.

The Web site – www.skilledtrades.ca – is designed to showcase the advantages of skills training and to increase access to opportunities in the skilled trades. "It's Canada's first virtual skilled trades centre," said Allen.

The site links employers to skilled tradespeople and provides educators with curriculum support and resources. The aim is to make the site the central hub for skilled trades information and resources for Hamilton and beyond.

Dave Santi, Human Resource Manager at Dofasco, chairs the IEC's Skilled Trades Committee. He has been through an apprenticeship program, worked as a technical teacher and returned to industry. Santi sees the IEC initiative as a critical piece in a provincewide effort to double the number of apprentices entering the trades.

"There's a great opportunity for employers of all sizes to create a pool of apprentices needed to sustain industry," said Santi. Dofasco is one of the largest indentures of apprentices in the province. Yet, with more than 250 full-time and co-op apprentices, Santi said the company will still need even more apprentices to replace a generation of retiring journeypersons.

The full interactive version of skilledtrades.ca offers a number of distinctive services including a searchable employer incentives database, an interactive networking forum, www.apprenticesearch.com, a searchable skilled trades speaker database, and "trade of the week" profiles.

Visitors to apprenticesearch.com will find a "virtual marketplace" for skilled talent. "Would-be apprentices can post their availability and employers can advertise jobs," said Allen. "There has already been significant traffic to this site," estimated at 10,000 hits per week.

Thanks to corporate and government partners, including the province's Apprenticeship Client Services Branch, the City of Hamilton and Human Resources Development Canada, access to skilledtrades.ca is free.

Part two of the initiative will include a bricks and mortar counterpart. "A funding proposal is under review," said Allen.

Allen, Santi and project manager Heather Buttrum are passionate about the potential for success. "The skilled trades are at the heart of every community," said Allen. Santi added that, "We've got something that can be franchised across the entire country. We need to brand Canada as having a sustainable workforce."



Business people across the province face a common challenge: finding people with the right skills in a very competitive labour market. While the province's colleges and universities strive to meet the ever-growing demand, immigrants who already possess the required skills are often shut out of the job market because Ontario employers do not recognize their solid credentials.

Program helps employers overcome skills shortages

*Company: World Education Services
Location: Toronto
Sector: Employment services
Contact: www.wes.org/ca*

“Great numbers of highly-skilled immigrants are arriving in Ontario, but they are often unable to use those skills because employers don't understand their credentials,” said Shamira Madhany, Manager of the Access to Professions and Trades Unit, Ministry of Training, Colleges and Universities. “Our goal is to help employers and educational institutions understand a person's qualifications, so that they can make a good hiring decision.”

The Ontario government took steps to address the problem several years ago, after an independent business assessment confirmed a significant need for academic credential assessments. An open competition awarded a service contract to World Education Services (WES), a not-for-profit business with an international reputation. WES assesses education documents from over 180 countries.

“It can be tough for employers to make an informed hiring decision,” said Tim Owen, executive director of WES in Toronto. “For example, we've seen about 250 different types of degrees from India, and 30 from China. We give the employers the tools they need to make a fair and accurate assessment of an applicant's qualifications.”

After authenticating the prospective employee's documents, WES staff analyze the credentials from the issuing country's perspective. Prerequisites,

course requirements and the type of employment the credentials would support in the home country are all considered before an equivalency is issued.

“Each case is unique,” said Owen. “For example, a master's degree could be the equivalent of a master's here, or a bachelor's degree, or a diploma. The advantage for the employers who use our assessment is that they are comparing apples to apples when they're hiring.”

Many Ontario employers now publicize their use of World Education Services assessments to attract the best possible range of candidates, and provide a link to the WES Web site in electronic job postings. The company has a long list of employer clients that includes Coopers & Lybrand, Dell Computer, Fisheries and Oceans Canada, Fluor Daniel, Humber College and IBM, as well as a number of smaller organizations. Its Web site also offers employers links back to their sites.

Ontario's immigrants are bringing valuable skills and education to the province's growing economy.

“With the escalating skills shortage, we have to look at every single supply source,” said Madhany. “Although training Ontarians remains our focus in the next five to ten years, we will also be relying on immigrants to help fill out skills needs. The WES program helps employers speed up the hiring process and get the right person for the job.”

For more information contact the Ministry of Training, Colleges and Universities at www.edu.gov.on.ca or World Education Services at www.wes.org/ca

Budget recognizes vital role of business community

and achieve the highest quality of life for the people of Ontario. These measures continue to produce results in 2002. Private-sector forecasters expect real economic growth to exceed three per cent this year, with more than four per cent growth predicted for 2003 – rates that will again exceed those of any G-7 country over this two-year period.

Small and medium-sized enterprises have responded strongly to the improved tax, regulatory and general business climate. Such companies generated an estimated 500,000 net new jobs between 1996 and 2001 in Ontario, or 61 per cent of total private-sector job creation.

The 2002 budget maintains the schedule for implementing previously announced tax reductions for small businesses. Corporate income tax cuts and taking the first step toward eliminating the capital tax have helped boost Ontario's competitiveness, making the province a more attractive place for investors. Planned reductions in the rate of mining tax, and the phase-out of the Retail Sales Tax on automobile insurance premiums, repairs and replacements made under warranty will also continue as originally scheduled.

Business services and manufacturing led Ontario job growth from 1996 to 2001, with each sector adding about 210,000 jobs. Retail and wholesale trade, leisure services and construction also contributed significantly to job growth, aided by strong domestic spending.

Exports will also continue to play a prominent role in the province's economic performance. Strong domestic demand, supported by Ontario's tax cuts, will be reinforced by growing international trade. Exports by Ontario businesses are expected to rebound in 2002 and 2003, driven by strong manufacturing competitiveness and a recovery in the economic performance of the United States. In the first quarter of 2002, international exports were up by 4.3 per cent, led by autos and parts (up by 2.4 per cent) and machinery and equipment (up by 3.1 per cent).

Science and technology are also high on the government agenda. Beginning in 1997, Ontario has made a

\$2-billion commitment to support research and development, including research infrastructure, indirect costs of research and commercialization (see sidebar). This investment has leveraged about \$4 billion in investment from institutions, government and the private sector.

In 2002-03, Ontario will invest more than \$2.7 billion, including federal flow-through funds, in the province's infrastructure. Planned investments include more than \$1 billion for highways, \$193 million in transit assistance, an additional \$104 million to support municipal road infrastructure, and \$342 million in capital investment in hospitals and other health initiatives, representing an increase of almost 70 per cent in 2002-03 over the previous year.

"It is clear that Ontario continues to be Canada's engine of prosperity," said Ecker. "Our government has put in place the right fundamentals for growth and prosperity."

Ontario Treasurer Janet Ecker tables the provincial budget in the Ontario Legislature in Toronto on June 17, 2002.



CP(FRANK GUNN)

Human resources drive NuComm's rapid growth

Hiring and developing the right people is key to success in any business, and absolutely crucial for the service-oriented call centre. When large corporations contract out their call centre operations, they want to be absolutely certain that their public image is maintained and even enhanced.

centre for company founder Real Bergevin to manage, he saw the potential NuComm offered. The company was transformed into a full-service Customer Relationship Management (CRM) provider, and has grown by 5,000 per cent over the past five years.

"We have concentrated our efforts on winning customers in the telecom, financial services, cable television and retail sectors," said NuComm president Richard McLaughlin. "It's a long sales cycle, and it starts with us doing a small test program for the customer. Our ability proves itself, and we are awarded more and more business. That's how we have won new clients in every case."

Although the vast majority of NuComm's business is in the U.S., the company has confined its expansion to Ontario, employing a total of 2,400 people at operations in St. Catharines, Welland, Owen Sound and Sault Ste. Marie. According to McLaughlin, Ontario's workforce is the primary reason.

"We have a superior workforce here that is, on average, better educated," he said. "And the smaller Ontario cities are great for us. Absenteeism is low, it's a loyal workforce, and it's simply a better culture for a company like ours. At NuComm, we try to make an entry level job in one of our call centres the start of a career."

More than 80 per cent of the company's management has been promoted from within the organization, and most of them started out working on the phone. NuComm's human resources strategy includes continuous learning programs and performance-based rewards.

"Our training model ensures that classroom training is supplemented with constant on-floor support," said McLaughlin, who joined NuComm recently after serving as Chief Customer Relationship Management (CRM) Officer with one of Canada's largest banks. His appointment as NuComm's president signals the direction the company will follow in the future.

"We see a blending of CRM with the call centre functions," he said. "Services are being combined, such as database management and CRM. More and more companies are focusing on their core strengths and contracting out services like call centres and CRM. That, combined with the fact that most people are now very comfortable dealing with an outside call centre, will provide a natural growth in business volume for us."



*Company: NuComm International
Location: St. Catharines
Sector: Customer Relationship Management
www.nucomm.net*

NuComm International of St. Catharines, Ontario, provides that level of service to its customers, and efforts are resulting in a rapidly growing roster of blue-chip clients. Recently selected as one of the "50 Best Managed Companies in Canada," the ISO 9000/9001 registered company is a prime example of how businesses can prosper by carefully developing their human resources.

NuComm was founded in 1991 as a consulting and training company, specializing in call centre management. When a satisfied customer offered to build a call

Cornwall



Celebrating business opportunities in Ontario's municipalities

The City of Cornwall, while recognized as the hub of Eastern Ontario, is a charming and historic community of 47,000. It is strategically located on the banks of the St. Lawrence River, with Highway 401 at its doorstep. The Seaway International Bridge provides direct access to New York and its neighbouring states, and Ottawa and Montreal are a one-hour drive away.

“Cornwall is the largest urban centre in the easternmost part of Ontario,” said Mark Boileau, senior development officer for the City of Cornwall. “We serve a fairly large region of residents, and offer excellent opportunities for the business community.”

The city has a long and proud history as a manufacturing city. Industrial sites were first laid out in the mid-1840s, and soon flour mills, tanneries and woolen mills were in operation. Today, Cornwall is home to manufacturing companies that have been established for generations.

For the past decade, the city's economy has become increasingly diversified, attracting such high-growth industries as electronics, plastics and biotechnology. Last fall, StarTek, Inc. established an inbound call centre in Cornwall that now employs 600 people.

Cornwall also recently launched the world's first community based citizen-to-citizen on-line collaboration portal www.thevillagehub.ca. Supported by a \$1 million investment through the Ontario government's *Telecommunications Access Partnerships* program, this project provides the people of Cornwall with the technology to reliably share information and resources over the Web, and is a fine example of how technology can be used to bring communities and neighbourhoods together.

Boileau cites several key advantages to locating in Cornwall. Aside from its strategic location, the city is debt free – so tax rates are stable and competitive. There is excess capacity for water, wastewater treatment and landfill as well as a great deal of available, reasonably priced land.

“A business can purchase industrial and fully serviced land at \$20,000 per acre, which is three to five times less than it might be in larger Ontario communities,” said Boileau. He said that employers are also keenly aware of Cornwall's reputation as one of the most bilingual cities in Canada, with approximately half of the city's residents speaking both English and French.

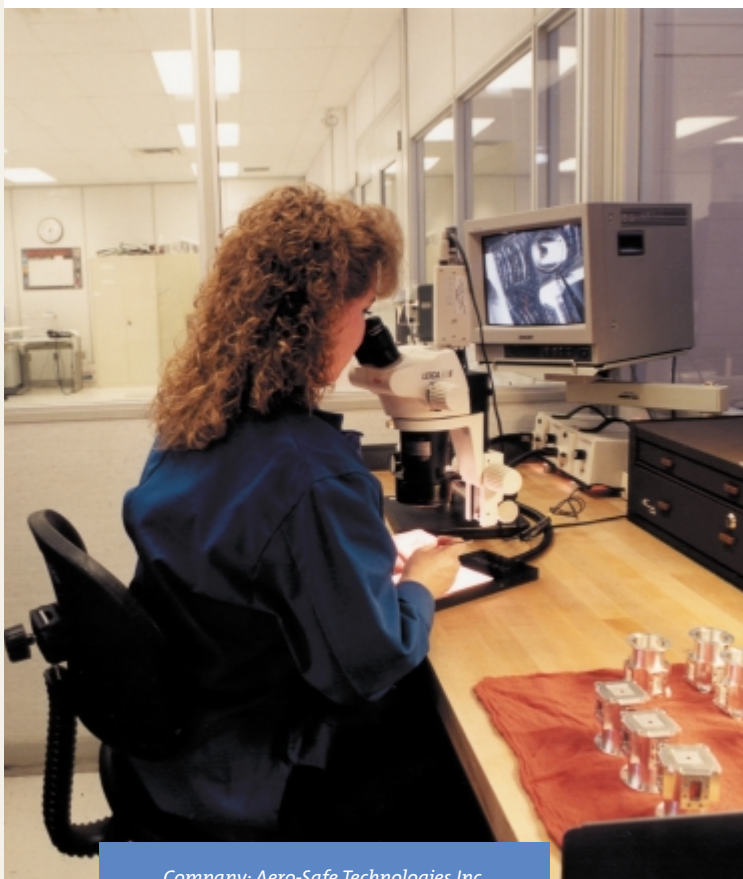
According to the city's 2001 year-end review, the three-year period between 1997 and 2001 provided Cornwall with the strongest economic growth in recent memory. There were 2,400 new jobs created, and the city currently has an unemployment rate of six per cent.

One of Cornwall's major attractions is its highly affordable lifestyle. An example of this is Cornwall's housing prices, which are among the lowest in Canada. An average bungalow can be purchased for \$102,000, well below the national average. “Residents can afford a reasonable mortgage on the strength of a \$10- or \$12-per hour wage,” said Boileau.

The City of Cornwall is currently in the process of developing a strategic plan to determine its future course. “My guess is that we will remain fundamentally on the same track,” said Boileau. “We are happy with the diversification of our economy, and with the businesses that we are attracting. We will continue to do all that we can to attract even more businesses and residents to Cornwall, and to further enhance Cornwall's economic potential.”

For more information, visit www.the-smart-move.com.

Technology and training produce precision parts



Company: Aero-Safe Technologies Inc.
Location: Fort Erie
Sector: Precision Manufacturing
Contact: (905) 871-1663

Aero-Safe Technologies uses computer-aided design and computer-aided manufacturing (CAD and CAM respectively) in its work as a high-precision manufacturer and assembler for the aerospace, satellite communications, life-support defence, optical and medical industries.

"The quality of our work is crucial," said company president Tony Rodway, who founded Aero-Safe in 1981. "We work to tolerances as small as $\frac{1}{5,000}$ of an inch, literally 20 times smaller than a hair's breadth. A burr or tiny flaw on one of our parts could conceivably affect the

How do you take a piece of aluminum worth 50 cents and transform it into a precision component valued at about \$250? Aero-Safe Technologies Inc. in Fort Erie, Ontario turns that chunk of metal into an incredibly detailed component that keeps satellites communicating, aircraft flying and human life-support systems running.

performance of a satellite or missile."

The process begins when Aero-Safe's customers send the company detailed drawings of a component in electronic format. As Rick Dorrington, the company's CAD/CAM manager, explains, "We're trying to eliminate paper from the process. Once we've

received the file or solid model, we evaluate the design and make suggestions to the customer for faster or more efficient production. Once we're in production, the machine tool operator who is actually making the part can call up the job on a wireless laptop to get all the information he needs."

Those electronic files take physical shape on the company's shop floor, a 20,000-square-foot area filled with 26 computer numerical control machines each the size of a mini-van. Valued at an average of \$300,000 each, most of the machines have about 30 tool positions to quickly transform a block of metal into a precision component filled with holes, complex geometry and critical features in exactly the right places.

Aero-Safe's latest machine has 90 tool stations and the potential to add another 150 stations.

"We like to work from a position of strength," said Tony Rodway, whose company now employs 50 people on two shifts. "We bought the new machine in anticipation of production work we thought would result from the prototyping and preproduction that we had done in the past. We're always developing people, our equipment and our relationships with new customers."

Rodway, who was trained as an engineer and started his career in England as an apprentice in an aircraft accessory company, is a firm believer in on-the-job training. Aero-Safe brings in local high school students to learn about the company, and runs a co-op program with the Niagara District school board. Rodway is also a persuasive salesman; his wife Margaret, daughter Susan, and son Nick have joined him in the business.

"We have a lot of advantages here in Fort Erie," he said. "We're close to the border, we have a great quality of life, a loyal workforce and people with the skills we need to make products we can sell around the world. Programs like this Aerospace Partnership will keep our talented young people here and help us grow."

Economic summit produces strong new agreement with Michigan



Summit spawns tourism action group

merchandise trade between Canada and the United States crossing the Ambassador Bridge. Close to 10,000 commercial trucks cross the bridge each day.

The Hon. Perrin Beatty, president and CEO of Canadian Manufacturers & Exporters and President of the Coalition for Secure and Trade-Efficient Borders, spoke at a session entitled Border Crossing – Keeping the Economy Moving Safely and Efficiently, which was co-chaired by Public Safety and Security Minister Bob Runciman.

“This summit is about preserving and creating jobs on both sides of the border and building a greater quality of life for Ontario and Michigan families,” said Premier Eves. “The co-operation we’ve seen here today proves that, although a border may run between us, it will never come between us.”

Ontario Premier Ernie Eves and Michigan Governor John Engler (right) in Detroit, June 14, 2002, with the Memorandum of Understanding they signed during the two-day Michigan-Ontario Economic Summit, calling for co-operative efforts between the province and state.

Tourism is an export industry, and nowhere is this better illustrated than in the unique tourist industry relationship between Ontario and Michigan. We are each other's best customers and the summit recognized the importance of this relationship with the creation of the Ontario/Michigan Tourism Action Group.

“A bi-national approach to tourism product development is the best way to encourage people from Michigan and Ontario to enjoy more overnight visits,” said Ontario Tourism and Recreation Minister Cam Jackson. “It also increases the appeal of the area to out-of-state and out-of-province visitors.” Speakers at the summit included Iain Klugman, president and chief executive officer of the Ontario Marketing Partnership, and Steve Hamp, chair of the Michigan Travel Commission.

The action group will meet at least twice a year to explore new tourism product and marketing opportunities for the Ontario-Michigan area. The group will also play a leadership role in identifying tourism initiatives, communicating with stakeholders in the tourism industry, and following through on the ideas raised at the summit's *Tourism Without Borders* session.

The action group, according to George Zimmermann, vice-president of Travel Michigan, (the state's agency for the promotion of tourism) is “an opportunity to develop

bi-national products, including the Underground Railroad and automobile manufacturing attractions. These products are marketed to create an international destination that both Michigan and Ontario can take pride in promoting.”

OBR Ontario BUSINESS REPORT

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La version française du Ontario Business Report est disponible sous le titre *Cahier des affaires de l'Ontario*.

We want to hear from you.

Comments and contributions are welcomed.
Please write us by mail, fax or e-mail.